

Water and Light Advisory Board
March 6, 2008

A meeting of the Water and Light Advisory Board was held March 6, 2008 at 7:00 a.m. in the Utility Services Conference Room, 105 E. Ash. Attending the meeting were:

John Conway, Chair
Tom Baumgardner, Vice Chair
Tom O'Connor, Member
Bob Roper, Member
Ernie Gaeth, Member, Excused
John Glascock, Water and Light Interim Director
Jim Windsor, Manager of Rates and Fiscal Planning
Mike Schmitz, Engineering Manager
Tina Worley, Utility Services Manager
Floyd Turner, Manager of Water Operations
Dan Stokes, Electric Distribution Manager
Marilyn Thorpe, Administrative Support Supervisor
Stephanie Brown, Administrative Support Assistant II

Win Colwill, League of Women Voters

APPROVAL FOR THE FEBRUARY 7, 2008 MEETING MINUTES: The February 7, 2008 meeting minutes were amended and approved by voice vote on a motion by Tom O'Connor and second by Bob Roper.

FINANCIAL REPORT:

a) Financial Update – The Board received the monthly financial statements ending January 31, 2008.

Water and Electric Utility combined operations reflect an operating income of \$4,605,862 for the four months ended January 31, 2008; compared to an operating income of \$1,240,059 for the same period last year. This is an increase of \$3,365,803.

The Water Utility has an operating income of \$169,930 for the four months ended January 31, 2008; compared to an operating income of \$224,492 for the same period last year. This is a decrease of \$54,562 in operating income.

The Electric Utility has an operating income of \$4,435,932 for the four months ended January 31, 2008; compared to an operating income of \$1,015,567 for the same period last year. This is an increase in operating income of \$3,420,365.

Operating revenues of Electric Utility are up \$5,920,100 compared to the same period last year.

Operating expenses before Payment-In-Lieu-Of-Tax and Depreciation are up \$1,867,256. Fuel and Purchased power costs have increased \$1,513,662.

b) Jim Windsor said new connection fees for water are down due to a drop in the amount of new construction. John Glascock provided the “Annual Report of the Building Inspector” for 2007 which also showed a down turn in new construction. Mr. Windsor commented that Water and Light will be spending more when the Ameren contract renews in June. The second part of the electric bonds has been sold and will show up on the capital side of the finance reports in May.

POWER PLANT REPORT

There was no report.

ENGINEERING

Mike Schmitz said he, Floyd Turner, and several other Engineers discussed the forecasted numbers for demand usage compared to the peak day usage provided by the Jacobs Long Range Water Study draft. He said the forecast for the Capital Improvement Projects (CIP) came out to be \$50 million, which was predicted. The review of the CIP list is included in the study. Other projects analyzed in the study include a 24” transmission line installed along Hwy 63 to tie the Hillsdale pump station to the existing pump station. The report also shows the condition of the well fields, which are good for now. Mr. Schmitz cautioned that considering other alternatives such as well collectors could result in a change in water treatment depending on whether ground water or surface water is used.

A Request for Proposal (RFP) was issued for a route study on a new substation for the north side of the city. Ryan Williams in Engineering will be overseeing this process. The target is to acquire the power line easements along with the roadwork that is occurring. Steel pole single circuit lines will be used for the 161 kV line that runs from the AC exit on Hwy 63 to Scott Blvd.

WATER DIVISION REPORT

There was no report.

ELECTRIC DISTRIBUTION REPORT

Dan Stokes said there were 19 outages reported in February. He said the average outage time for an individual in February was 78 seconds.

UTILITY SERVICES DIVISION REPORT

Tina Worley said the spring initiative with compact fluorescent light bulbs has begun. Participating parties include the Housing Authority, Central Missouri Community Action (CMCA), Landlord Association, Columbia Climate Change Coalition and Columbia League of Women Voters. Water and Light has a contract with Missouri Environment Education Association (MEEA) which will assist in providing the light bulbs.

NEW BUSINESS

Billing Demand for Demand Customer and Measured Demand for Thermal Storage Rider – Mr. Windsor said staff is proposing to drop the minimum 75% of the peak demand during the summer months amount paid by the customer to 50% for customers that have a significant change in their operations. The current Thermal Storage Rider excludes sixteen hours from the measured monthly demand and the customer can qualify for a load shedding discount based on the amount of load that can be reduced during a daily three hour period when

called on the utility in the summer. The proposed change would eliminate the load shedding discount and increase the excluded demand period to twenty hours. Mr. O'Conner expressed his concern in understanding the changes. Mr. Roper made a motion that the Board recommend that Council approve the proposed ordinance changes. Tom Baumgardner made a second to the motion. The motion passed 3-1 with Mr. O'Conner dissenting.

Economic Development Rider Criteria – Mr. Glascock explained that the city is interested in the Missouri Economic Development Rider Criteria. The purpose is to stimulate industrial and commercial business in Missouri. The Economic Development Rider (EDR) provides a discount over five years equating to nearly one year's worth of free electricity. The rider does not apply to service during the peak months of July, August and September.

OLD BUSINESS

Power Supply Task Force Integrated Resource Plan – The preliminary Interim Integrated Resource Plan (IRP) was electronically sent to the Board and staff. The date for the next Power Supply Task Force meeting was scheduled for March 20, 2008 at 5:30 p.m. Mr. Schmitz said a CD with the backup information for the IRP is available and labeled Appendix E. Mr. Conway said the next step will be to have a task force meeting; a public meeting; and another task force meeting. Then the final draft will be sent to the City Council. Mr. Schmitz said some key points in the study are the implementation of a 161 kV line enhancement plan that would eliminate the Deer Park line, which is predicted to be an issue by 2017, and the continued use of imported power. Ms. Worley said some issues still need to be cleared up on the demand side.

Wind power – Thirteen of the 27 wind turbines at the wind farm in King City are down because of cracked blades. New blades are on backorder and could take as long as two years to get.

OTHER

Mr. Schmitz said the lack of wind in Texas caused a brown out in an area that relies heavily on energy produced by wind farms. He would like to make a copy of that report available to the citizens of Columbia for the awareness of the safety factor as well as energy conservation.

Win Colwill said the Climate Change Forum aimed at informing citizens on the Council decision to endorse the criteria for the Kyoto climate change plan to reduce greenhouse gas emissions. She said a citizen task force needs to be constructed to ease some of the impact on the city. A copy of the DVD of the forum will be provided to Water and Light.

Mr. Conway said he and Dick Parker were on KOPN last week.

Next meeting date: April 3, 2008

The meeting adjourned at 8:15 a.m.

Respectfully Submitted,